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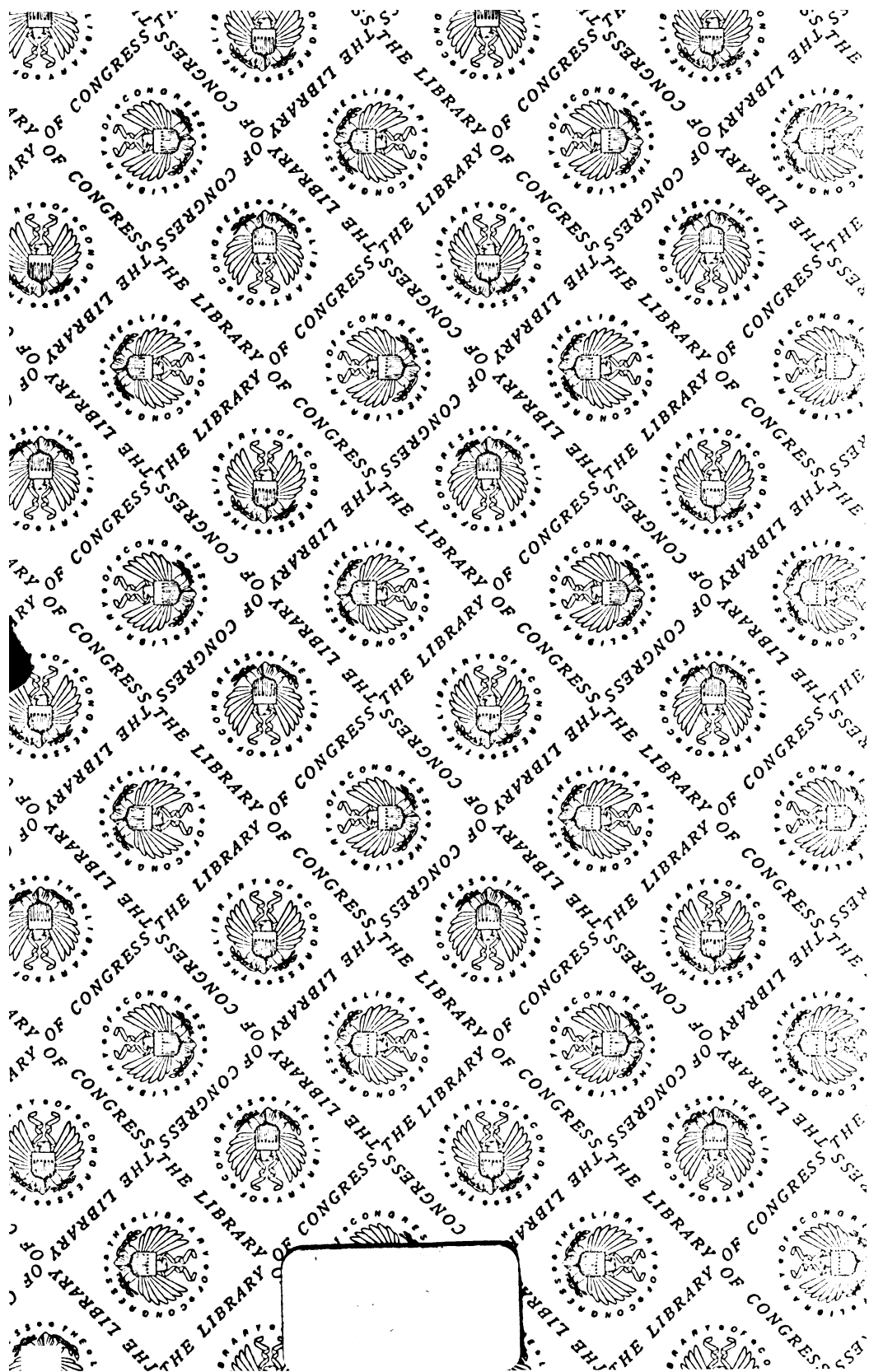
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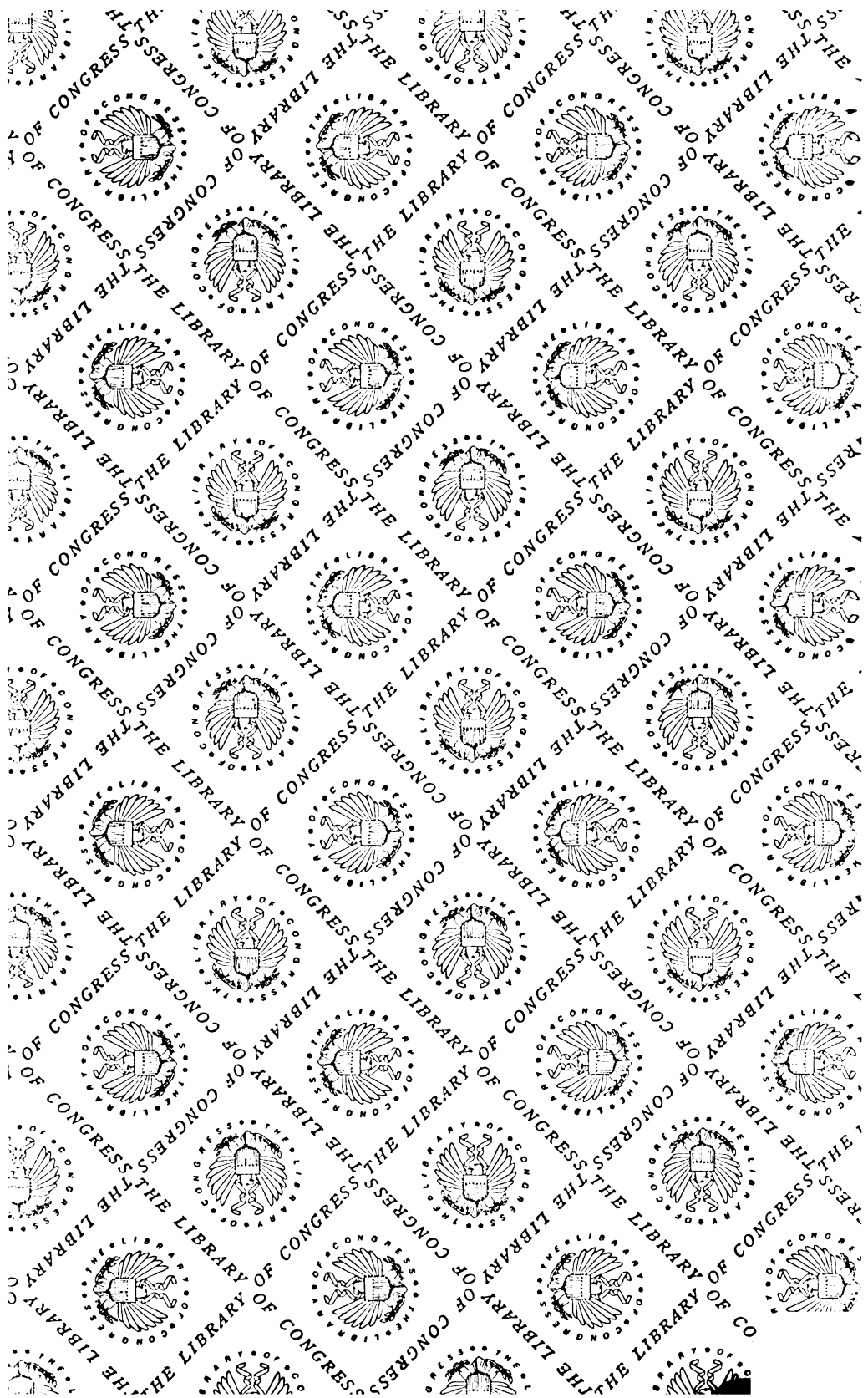
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# HEARINGS

BEFORE THE

## COMMITTEE ON EXPENDITURES ON PUBLIC BUILDINGS

OF THE

U.S. HOUSE OF REPRESENTATIVES

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MARCH 30, 1908

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### COMMITTEE

E. STEVENS HENRY, CHAIRMAN

JAMES McLACHLAN

JOHN H. SMALL

JOHN F. ESCH

HARVEY HELM

JAMES C. McLAUGHLIN

CHARLES G. EDWARDS



WASHINGTON

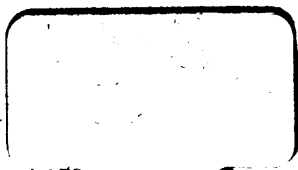
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Committee called to order, Hon. E. Stevens Henry in the chair.  
Present: Messrs. Henry, McLaughlin, Small, Edwards, Helm.

**STATEMENT OF MR. JAMES K. TAYLOR, SUPERVISING ARCHITECT.**

The CHAIRMAN. Gentlemen, I have invited Mr. Taylor, the Supervising Architect, to meet with us, not expecting to have occasion to use a muck-rake or anything of that kind, but to ask him to tell us something in regard to the workings of his bureau, of his methods, how his contracts are let, of the supervision given, how the payments are made, and any and all general information that may be interesting to us and of possible future value.

Mr. Taylor, will you please, in your own way, go on and tell us as to the workings of your office, and I trust that members of the committee may feel free to ask such questions as they think proper.

Mr. TAYLOR. I suppose the gentlemen here know pretty well the procedure from the time the construction of the building gets into our hands.

Mr. SMALL. Could you, at the beginning, Mr. Taylor, refer us to the statute creating your division in the Treasury Department?

Mr. TAYLOR. I do not think it has ever been enacted into a statute. The office was first established in 1853 by Secretary Guthrie, who asked to have an army engineer appointed as an expert. At that time about 15 buildings had been authorized, and the Secretary did not think that his Department possessed sufficient technical knowledge to carry on the work, so he asked the War Department to have an engineer from that Department detailed, and there was such a division formed to care for the construction of buildings in the Treasury Department simply by a departmental order that it was a division of the Secretary's office. That ran along, I think, until about 1875 without any particular authorization. In 1875 the office was given a status by appearing as the Supervising Architect's office in the sundry civil appropriation bill, and it has been carried that way ever since. I do not think there ever was actual legislative authority for the office excepting by inference, where they appropriated for it, but I will look that up and be positive.

Mr. SMALL. I think it would be well to have appear in the hearings a statement of all the acts of Congress relating to the Bureau.

Mr. TAYLOR. After a building is authorized by Congress—that is, if it is authorized to be constructed under the Treasury Department—that authority comes down to our office, and the first step is to secure the property on which to construct the building. That is done by advertising in the local papers, giving the approximate size of the property that is needed, and something about its location. The building must be located on a street corner, according to the last three building acts, or at least on two streets. Then those advertisements are opened at a given date, and as soon as possible after that an agent

of the Department is sent to the town to take up the question as to each of the pieces of property, to ascertain which will best fill the requirements of the Government and at the same time give the people of the town the best service.

He makes his report to the Secretary of the Treasury, reporting on each one of the sites, making at the end a recommendation for the particular one he thinks best. Of late thirty days has usually been given after the report has come in for the people of the town, by correspondence, to make known their wishes in the matter. At the end of that time the Secretary takes up the report of the agent, together with whatever correspondence has come in and goes over it. If he thinks that the agent is right in his judgment he approves his recommendation, that piece of property is selected, a letter of acceptance is written to the owner, and the owner must, as soon as possible, furnish to the United States district attorney for the district the deeds and evidence of title for the district attorney to consider. The district attorney goes over those, and if he is satisfied that a good clear title can be given to the Government, he so states that in his report to the Attorney-General, who has the district attorney's work reviewed by his examiner of titles in the Department here. If the judgment of the district attorney is sustained, the Attorney-General certifies to the Secretary of the Treasury, as he has to do by law, that the title is good and sufficient, and the Department then can buy the property. The Secretary of the Treasury issues a warrant to the owners of the property, and the property becomes the property of the Government.

That is the first time that anything in connection with the drawings can be taken up after the property is vested in the Government; and in order to provide a systematic way of putting the work through the office each one of those pieces of property is given a number as they come in from the Department of Justice, and they are taken up in the order in which they come. No one can in this way have any complaint that he is put off for somebody else. When it gets around to a particular building, there is an investigation made as to what offices under the Government must be housed in that building, how much floor area they are occupying at present, how much they had ten years before, and how much they expect to grow in the coming ten years. Such questions are asked of the different people who are interested in order to get the average amount of floor area that would have to be supplied.

Mr. SMALL. Before you leave the matter of acquisition of sites I would like to ask if you have any arbitrary rule which you attempt to apply in fixing the price of sites, realizing as I do that no arbitrary rule can be applied generally?

Mr. TAYLOR. The practical rule we have is that the sites should not exceed 20 per cent of the amount of the appropriation; in other words, in making the preliminary estimates for a report to the committee of Congress we usually figure the cost of a building and then add 25 per cent to that for the cost of the site, which would make just 20 per cent of the total amount of the appropriation.

The CHAIRMAN. You are not able to make that a hard and fast rule?

Mr. TAYLOR. No; because conditions vary.

The CHAIRMAN. Along this same line of inquiry, what are your estimates, say, for a public building in a town with a population tributary to the office of ten to fifteen thousand, and with, say, \$15,000 to \$20,000 receipts? What would be the estimate for a site for a public building in a town of that size?

Mr. TAYLOR. I should think it would probably run to about \$75,000 for building and site. Of this \$15,000 would be allowed for site.

The CHAIRMAN. You mean for site and building both?

Mr. TAYLOR. Yes; but that would depend not so much upon the population, because very often in the smaller towns, such as a college town, or a small town that has a large printing establishment, or where there is a large manufactory that sends out a great deal of advertising, the mail facilities may be a great deal larger than a corresponding town with many more inhabitants.

The CHAIRMAN. Or with regard to a town where a United States court is held?

Mr. TAYLOR. Yes, that would be an entirely different matter.

The CHAIRMAN. I had reference in my first inquiry to the post-office building alone.

Mr. TAYLOR. Then I should say \$65,000 or \$75,000 for a site and one-story building for the post-office simply.

The CHAIRMAN. To go a little further, what would be your estimate in a town of, say, from 15,000 to 25,000 inhabitants, with post-office receipts from \$40,000 to \$60,000?

Mr. TAYLOR. Well, that would run up to anywhere from \$10,000 to \$20,000 more. The smallest economical building would be a building about 50 feet by 80 feet, with, say, 4,000 square feet of ground area. Those buildings run pretty well, in the more convenient sections of the country, at about \$60,000 for the building alone. The sites in those towns run anywhere from \$5,000 to \$10,000.

The CHAIRMAN. Would you get a site in a growing town of 25,000 inhabitants for \$5,000 to \$10,000?

Mr. TAYLOR. Oh, yes; we have gotten a number of them, depending, of course, upon the section of the country. I do not think we could get one in New England, because the towns there are more compact and the level ground is scarce, but in a prairie town in the western States, or in the level country of Indiana or Illinois, a site can be procured for \$5,000 to \$10,000.

Mr. EDWARDS. Do I understand that the Government does not erect buildings at a less cost than \$50,000 for that kind of a place?

Mr. TAYLOR. Oh, yes; they do erect buildings at a less cost, but the reduction of size does not reduce the cost proportionately below \$50,000.

Mr. EDWARDS. About what size does the town have to get in point of population and post-office receipts or business of the courts before the Government would consider a public building for that town?

Mr. TAYLOR. I do not know what the rule of the Committee on Public Buildings and Grounds is, but I believe that they hold that a town should have at least 5,000 people, and that it should have a first-class post-office.

The CHAIRMAN. I suppose that a rule that would apply to New England, or New York, or Pennsylvania would not apply to the Southern States; that a town of much less population in the South may have a public building.

Mr. TAYLOR. Oh, they do build them. I know of a building that has been authorized which, with the proper limit of cost upon it, would come to \$160,000, in a town of but 727 people.

Mr. EDWARDS. Would it be an inducement—or does that come within your jurisdiction—to the Government for a town to offer a site? I have a case in point in my own district.

Mr. TAYLOR. Oh, yes; the committee would consider that very strongly. They have a number of them where they secure the site for \$1.

Mr. EDWARDS. I have a large and growing town in my district that is willing to donate the site if the Government will erect a building of some \$15,000 to \$20,000 in value.

Mr. TAYLOR. That would be an object in consideration of the matter before the committee.

Mr. SMALL. I think these are legislative matters rather than administrative matters.

Mr. TAYLOR. Yes; that question would come before the Committee on Public Buildings and Grounds, and, as I say, would be an inducement for them to authorize the building.

Mr. SMALL. In what proportion do you find it necessary for the Government to condemn?

Mr. TAYLOR. Not a very large proportion. Usually a threat of condemnation will bring the prices down.

The CHAIRMAN. You insist upon 40 feet open space on all sides of a public building, do you not?

Mr. TAYLOR. Yes; that is the requirement of the law—that is, it is usually the requirement of each public building bill, and the same thing holds good as to the corner lot. The public building bill usually reads that the site shall have a frontage on two streets, which means a corner, although as I told you the other day, the first site that was offered under a former bill had a street front and back, but it was on two streets all right. After the site is vested in the Government and gets a number and we begin work on it, the first step is to make a small scale sketch of the kind and size of building that is found to be necessary from the data. Then the estimates are made and sworn to by the office not to exceed that sum, and the estimates and sketches are then sent to what is known as the cabinet board, consisting of the Secretary of the Treasury, the Postmaster-General, and the Secretary of the Interior. They have to approve them by their signatures, when they are returned to us ready for approval of the working drawings. Their approval of the sketches is more or less informal, although the Post-Office Department gives some little attention to the arrangements of the buildings for post-office work, but not very much.

Mr. McLAUGHLIN. Right on that point, have you had any controversies or differences of opinion between your office and the Post-Office Department as to the extent of their suggestions regarding the arrangements of the buildings?

Mr. TAYLOR. We never have had any controversy, and we are always glad if they can give us the data, but this question has arisen between our department and the Post-Office Department—that there was no one person in the Post-Office Department who had a sufficient grasp of the whole postal service; for instance, if the man who examines the plans is a railway mail clerk, he of course would like to see

that the railway mail service is taken care of, and will not care so much about the rest of the service. If it is a city delivery man, he will want to see that the city delivery service is taken care of, and the railway mail service may not have such close attention. There has been no one man with a grasp of the whole service sufficient to see that they are all taken care of. Outside of that there has been no controversy at all.

Mr. McLAUGHLIN. Some time ago I was talking with a man in the Post-Office Department, whose name I do not recall now, and who said that sometimes post-offices were not erected with convenient arrangements, and if their office was consulted more, and if there was some arrangement between your office and theirs by which they could make suggestions based upon their experience in matters of that kind, it would be helpful all round.

Mr. TAYLOR. Whenever a post-office building comes up before us, they have these sketches before them always, and we ask them to make their suggestions, and have always urged, both officially and myself personally, that a more careful consideration be given the sketches by the post-office authorities.

Mr. McLAUGHLIN. The trouble that you suggest I suppose is that the plans are looked over sometimes by a railway mail service man and at other times by some one else, and that there is no one in the Department fully qualified to cover all of the various departments equally well?

Mr. TAYLOR. They don't seem to have one fitted for it for some reason or other. I brought the matter to the attention of Mr. Hitchcock when he was First Assistant Postmaster-General several times and asked him if he would not place somebody on that work who would make a study of the postal system as a system, that we would be glad to cooperate with him and build buildings to the satisfaction of the Department. To give you an instance as to what the criticisms are, a large post-office building was built at Cleveland, Ohio, and by the conditions we were forced to put the mailing platform in the basement. The building faced on all four sides, four principal streets, and we were forced to put the mailing platform down in the basement. The railway-mail service raised a question about it, stating that it was absolutely impossible to use it in that form, that it would take them at least seven to ten minutes longer to get the mail out than if the platform was on the street level. We usually have all the facts that they know of, but they did not realize that while that might be the case, that might save the delivery of mails from the trains to the platform seven or ten minutes, still it would take at least fifteen minutes longer to deliver to the patrons of the post-office, getting in and out, than the other way, but they could not see it that way.

Mr. SMALL. The inquiries of Mr. McLaughlin, it seems to me, open up a subject worthy of some consideration. Buildings are frequently erected to accommodate not only the post-offices, but United States courts, customs officials in the smaller towns, also to contain rooms for the corps of engineer officers, and it might be well for this committee to consider whether it would not be wise to enact a law that your preliminary plans should be submitted, as to the accommodations for the Post-Office Department, to the Post-Office Department.

Mr. TAYLOR. They are now.

Mr. SMALL. And as to the accommodations for the United States courts to the Department of Justice, and for the customs houses to the proper official of the Treasury Department.

Mr. TAYLOR. Of course it goes through the Secretary of the Treasury now.

Mr. SMALL. As I understand it, while you do submit these plans, they are submitted unofficially?

Mr. TAYLOR. No; they are submitted officially under the law.

Mr. SMALL. Without authority of law?

Mr. TAYLOR. By the law. The law says that the Cabinet Board shall pass upon them. The only people who are not members of the Cabinet Board are the heads of the Executive Departments other than the three mentioned above. There are only three members of the Cabinet Board.

Mr. McLAUGHLIN. The Secretary of the Treasury, the Secretary of the Interior, and the Postmaster-General?

Mr. TAYLOR. Yes. The Secretary of the Interior has offices located in only 15 or 20 per cent of the buildings.

Mr. McLAUGHLIN. Is it submitted to them for the purpose of having them criticise the plan of arrangement, and to have suggestions from them as to the arrangement?

Mr. TAYLOR. They are supposed to pass upon them. The Post-Office Department is supposed to pass upon them, and to send them back if they do not like the arrangements, with their recommendations.

Mr. EDWARDS. The Postmaster-General, however, does not always pass upon them himself, but has some one in his Department?

Mr. TAYLOR. He never does. He has committees—for years he has had committees, and a committee is usually composed of a man from the Salary and Allowance Division, the Topographer's Department, and I forget the other, but I think the Inspector's Division.

Mr. EDWARDS. That brings it right back to what Mr. Small said, that there ought to be some board having a broad knowledge of these things to pass upon those matters as they come up, and in that way the difficulty you spoke of a while ago would be obviated.

Mr. TAYLOR. That is what we have urged.

Mr. SMALL. The Attorney-General is not a member of the Cabinet board, so that the Department of Justice is not authorized by law to pass upon them.

Mr. TAYLOR. No; although we usually submit plans to that Department to find out what they want.

Mr. McLAUGHLIN. If there was more demanded of this board, and arrangements could be made in each Department to have a more competent man who could give more attention to the work, and the results combined, that would be desirable, would it not? In that way they would not pass through their hands in a mere perfunctory manner, and they would familiarize themselves with the needs of the Department and be able to give more valuable suggestions.

Mr. SMALL. I wish, Mr. Taylor, when you include the citations of the laws that you would not only make your citations include the law creating your division, but also every amendment since that time included in the public building bill.

Mr. TAYLOR. Possibly the best way would be to send you a copy of the laws that govern our office.

Mr. SMALL. Can you furnish a copy to each member of the committee?

Mr. TAYLOR. I think I can; it is in printed form.

Mr. SMALL. I think whatever service this committee may render in this investigation will be largely along the line of endeavoring to systematize your work and make the appropriation more effective.

Mr. TAYLOR. There is one line, Mr. Small, which I spoke of to Mr. Henry, that your committee could not only be of very valuable assistance to the Department, and I think would be to Members themselves, and that is recommendations along the line as to the way the laws should read; for instance, our annual appropriation for "preservation and repair" of buildings is simply for the preservation and repair and restoration of the work in the buildings. Now, very often we find a building that has been built a number of years. There is a corridor running through it with a dead end, and by making a modification a considerable area of floor space can be added. Now that has to be done under preservation and repair, but really it is an improvement in the building that is desirable, and under the item of preservation and repair we are not warranted by law in doing it. We asked to have the word "improvement" put into the bill while Mr. Cannon was chairman of the Committee on Appropriations. He said that no such words should go in the bill, as we might go ahead and build buildings under such an authorization. But a little word like that in the arrangement of the appropriation act would permit those changes and still keep them within the law. That is simply a sample of one or two things that go through, a matter that Members have not the time to look into and see the absolute necessities involved.

Mr. HELM. When these bills are introduced and referred to the committee, does the committee refer them to you?

Mr. TAYLOR. All building bills are referred to our office for report; others not.

Mr. HELM. And you report before the committee acts?

Mr. TAYLOR. Yes; we report upon the size and kind of buildings that should go in the various places, and also the probable cost of the property.

Mr. HELM. Does your report go to any extent to the resources, so to speak, of the offices?

Mr. TAYLOR. No; we simply give the size of the buildings that should be authorized in the various towns.

The CHAIRMAN. You give what you regard as a definite estimate upon the approximate cost of the building, but, as I understand it, in the matter of site that is more of a guess than an estimate?

Mr. TAYLOR. Well, it would depend somewhat upon what the postmaster in the town would say as to its probable cost.

The CHAIRMAN. You address the postmaster and ask him?

Mr. TAYLOR. We send him the data sheet which he has to fill in, and among the questions in that data sheet is, "What is the cost per foot, either front or square foot, of a corner lot immediately adjoining the center of business?" and the next question is, "What price is property held at a distance not to exceed a quarter of a mile from that business center?" and we make our estimates for the property on that basis.

The CHAIRMAN. Then you make a sort of an average estimate?



Mr. TAYLOR. We estimate for the building itself——

The CHAIRMAN. I am speaking of the site.

Mr. TAYLOR. We probably average the cost of the two pieces of property and get one in between.

Mr. HELM. From your experience along that line to what extent, if any, is your revenue collected at the post-office or at the place where the building is to be erected taken into consideration in the recommendation that the building be constructed or not constructed?

Mr. TAYLOR. I don't think that cuts very much figure at all.

Mr. HELM. Say a place collected \$2,000,000 of internal revenue, what consideration, if any, would be given to that question?

Mr. TAYLOR. That would be given consideration as to the size of the building necessary, that is all. If you collected so many dollars revenue you would have to have a larger force of clerks and more floor area.

Mr. HELM. Right in that connection can you give me the estimate of the amount of revenue collected at the post-office in a city of say 25,000 population?

Mr. TAYLOR. It would vary so widely that I could not give any estimate. As I said a few moments ago, it might be a town with the average mail, or it might be a town where there are a number of large manufactories sending out an enormous amount of advertising matter, or there might be a large printing establishment there.

Mr. HELM. From your experience can you give approximately the average revenue collected through the post-offices?

Mr. TAYLOR. No; I could not give you that without looking it up, not even approximately. I do not think we have ever averaged it in an individual case.

Mr. HELM. I was trying to get at the receipts in a town of, say, 100,000.

Mr. SMALL. I think that could probably be gotten from the Post-Office Department.

Mr. TAYLOR. We simply figure it in individual cases.

The CHAIRMAN. What is your system regarding bonds given by contractors?

Mr. TAYLOR. We ask for a 50 per cent bond of the contractor. We do not ask that it shall be a surety bond or a private individual bond; it can be either one or the other, but if a private surety bond, his liability or his responsibility has to be passed upon by some court official, and every three months we get a statement of his standing. But, of course, with regard to a surety bond we have a published statement. We ask for a 50 per cent bond on each contract. As to the payments made on our contracts, 90 per cent of the value of the work actually in place at the end of each month——

The CHAIRMAN. About the usual amount required under private contracts?

Mr. TAYLOR. Yes.

Mr. SMALL. You omitted to state the methods of letting contracts and the preliminary work before doing so?

Mr. TAYLOR. After the sketches are approved by the Cabinet Board then the working drawings are gotten out; that is, the drawings from which the contractors make their figures. The drawings give the detail of construction, the electric-light wiring, the heating, and whatever goes into the building. A specification is written giving a brief description of the same thing, and then this work is advertised in the

local papers, at least two or three of them, and also in the technical journals throughout the country, so that they may meet the eyes of the contractors. They are thus advertised, according to law, for twenty-one days—we usually advertise our work from thirty-five to forty days. At the end of that time the estimates by the various contractors are all submitted to our office and opened on a given day at a given hour, and anything coming in after that is not received.

The CHAIRMAN. Do you advertise for proposals for the construction of the building as a whole?

Mr. TAYLOR. As a rule. Anything under a half a million dollars is usually a building as a whole, including heating, ventilating, all complete; but above that it is usually thought best to subdivide the contracts, making a contract with the main contractor for the construction of the building and its finishing, and a separate contract for the mechanical equipment, the heating and wiring and elevator service, and so on; in other words, we do not propose to pay the general contractor his percentage on work that he has nothing to do with.

Mr. McLAUGHLIN. Then upon buildings constructed for less than \$500,000 I should think the same idea should be applied?

Mr. TAYLOR. That would depend upon whether there was a large amount of mechanical equipment or not; for instance, for the average heating of a small building it does not pay to divide it, because you get into delays in the interlocking of the contracts.

Mr. SMALL. Now, as to the method of awarding the contracts, do you always award to the lowest bidder?

Mr. TAYLOR. We do not always so award, but it is the exception that proves the rule, and the rule is that it goes to the lowest responsible bidder.

Mr. SMALL. What are the exceptions?

Mr. TAYLOR. The exceptions would be, for instance, that we would know that a man was not a satisfactory contractor, he having defaulted on the work previous for our office or some other office that we knew about, or while he might be able to give a bond equal to the amount we call for we knew he would be unsatisfactory in carrying out the work, probably running overtime, and things of that sort; but they are so rare that they do not occur more than probably once in twenty-five times.

The CHAIRMAN. In regard to the material, do you give preference to local material?

Mr. TAYLOR. We are not permitted under the regulations of the Department to call for any material by name—that is, in our specifications we could not call for granite from a particular quarry; we must make our specifications in a general way, that would virtually cover a certain colored granite, for instance, a light-gray granite, and anybody that had that particular material could figure on it, the natural supposition being that if there was a light-gray granite quarry near the town, that they could afford to furnish their material at less expense than any other quarry, and the subcontractor would take it rather than that from a distance.

The CHAIRMAN. That is, you would not name granite in a sandstone region, and if stone is not available in a particular region you would use brick.

Mr. TAYLOR. Yes; on the larger buildings I think we would specify granite in a sandstone or limestone region, because the smallness of the grain would make it not in proportion to the size of the building.

The CHAIRMAN. Yes, I remember; there was quite a controversy regarding the Cleveland public building some time ago, whether there would be used limestone or granite. I think the local interests demanded granite—

Mr. TAYLOR. No; the local interests demanded Ohio sandstone. We were anxious to have granite and finally succeeded in carrying it through.

Mr. SMALL. And the next question would be the awarding of the contract and the execution of it.

Mr. TAYLOR. The figures having been opened at a given hour, say 3 o'clock in the afternoon of a given day, the estimates are sent to the drafting and computing divisions, which divisions recommend to the board of award of the office composed of myself, the assistant to the architect, and the chief of the technical division, to whom the work should be awarded, and the amount that should be accepted. This board of award, or committee of three, passes upon the recommendations made and make recommendation to the Secretary of the Treasury that the lowest bidder, as a rule, be awarded the contract at such and such a price. As a rule the Secretary approves that recommendation, and a letter of acceptance is written to the successful bidder outlining just what he has to do, making the drawings and specifications that he figured on a part of his contracts; then on the same day or the day after the formal contract is sent to him, is, together with the drawings and specifications, signed, and returned to us.

Mr. SMALL. Do you have a standard form of contract?

Mr. TAYLOR. Yes.

Mr. SMALL. Is there any administrative reason why we should not be furnished a copy of it and why it should not be made a part of the hearings?

Mr. TAYLOR. Certainly not; you shall have a copy of it. It has been considerably changed since 1875, there having been new clauses added at different times as the necessity arose for such additions or modifications.

Mr. HELM. Where the contract, in your judgment, is excessive, everything considered, you have no alternative in making the award?

Mr. TAYLOR. If we consider it excessive we would reject it and refigure the work.

Mr. HELM. That is, you would reserve that right?

Mr. TAYLOR. Yes; to reject any and all bids. After the contract is made with the contractor, and there is extra work that goes in, we ask him for a figure, and if his figure is then what we consider excessive we do one of two things, either reject that or else say that he shall do the work at such and such a fixed price, a price that we will fix, and we can compel him to do that under our contract—that is, we have a clause covering that in our contract. For instance, if he wanted \$10,000 for a certain piece of work and we thought it was only worth \$7,500, and that was a liberal price, we could say that we wanted him to do that work for \$7,500, and if he refused we could compel him to do it at our price. Of course he could obtain redress at the end of the contract by going to the Court of Claims, but as a rule I do not know of any who have gone to that court upon that sort of thing.

Mr. SMALL. Has your office the authority under the law to ask for competitive drawings, and have you exercised that authority in the past?

Mr. TAYLOR. We have a law known as the Tarsney Act approved February 20, 1893. It was not put in use until 1897 under Secretary Gage. Secretary Carlisle said that it was defective, and Secretary Gage said that he could not tell how defective it was unless it was tried, so he tried it in three instances, at Norfolk, Va., Camden, N. J., and on the work on Ellis Island, New York, and we have been operating under it ever since. I think there have been about 25 or 30 buildings put up by what we call competitive or outside architects. That law reads about this way: That the Secretary of the Treasury shall have the right at his discretion to procure drawings, specifications, and local supervision from outside architects provided that at least 5 architects shall be asked to compete, and the successful man shall be paid such a commission as shall be fixed by the Secretary of the Treasury.

Mr. SMALL. As the Supervising Architect, would you mind stating what your experiences have been in erecting buildings under competitive drawings?

Mr. TAYLOR. I should say from the experience of the past ten years that we have been operating under that, that in the larger buildings—buildings that run over \$500,000 or \$750,000—that as far as design is concerned, we have gotten better work from the outside, while as far as administration is concerned we have gotten a good deal poorer quality of service.

Mr. SMALL. What do you mean by "administration" in connection with that?

Mr. TAYLOR. The actual construction of the buildings. You see the office of the Supervising Architect is probably as well equipped, if not a better equipped administrative office, than any architect's office in the country. We have our inspectors in all parts of the country, and we have the machinery for construction.

Mr. SMALL. Does this law to which you refer authorize you to do more than to ask for drawings, which drawings when accepted by your office are to be supervised—that is, the buildings under those drawings are to be supervised by your office?

Mr. TAYLOR. No; it says "for local supervision."

Mr. SMALL. The law then covers local supervision.

Mr. TAYLOR. It says "drawings, specifications, and local supervision."

Mr. SMALL. Might you not, under the law, provide that?

Mr. TAYLOR. No; we have to give them local supervision under the law.

Mr. SMALL. Under the law, if competitive drawings are asked for and accepted, that carries with it the local supervision?

Mr. TAYLOR. Yes.

Mr. SMALL. And it is in the supervision which you term the "administrative" part of the work which you think is defective?

Mr. TAYLOR. I think that is defective.

Mr. SMALL. And that you have superior equipment?

Mr. TAYLOR. Yes.

The CHAIRMAN. Just there, what do you mean by "local supervision?"

Mr. TAYLOR. I suppose the definition that is given in the American Institute schedule would probably fill that as near as possible. They say: "Local supervision is that care of the work sufficient to assure the architect that his work is being carried out in accordance with the drawings and specifications."

The CHAIRMAN. And that work is performed by local agents?

Mr. TAYLOR. No; that is performed by the architect himself who has secured it in competition. We always keep an inspector on the work to see that the architect does his work right.

The CHAIRMAN. What do you estimate the percentage of cost of building inspection and supervision would be to the entire cost of the building?

Mr. TAYLOR. Under the Tarsney Act—that is, under competition—the architects themselves are paid 5 per cent on the cost of the actual work.

The CHAIRMAN. That is paid under the rules of the American Association of Architects?

Mr. TAYLOR. That is what the Secretary has fixed as their percentage, although we do not pay traveling expenses and engineer services. We compel the architects to include that in the 5 per cent.

The CHAIRMAN. Then the 5 per cent covers everything?

Mr. TAYLOR. So far as they are concerned. There is a considerable amount of work such as duplication of drawings where the work is added from our office and there would be an additional charge of 1½ per cent that would have to be paid for that portion of the administration that every owner would have to take.

Mr. SMALL. As I understand it, under the law regarding local supervision your office maintains an inspection. Suppose there should be a difference of opinion between a successful outside architect or his agent and your inspector as to whether the plan was being properly followed, in that case whose views would prevail?

Mr. TAYLOR. Ours; our inspector would not have anything to do with it. For instance, he would notify the architect or his representative on the work that in his opinion the work was not being carried out in accordance with the drawings and specifications and that it must be corrected. Then if it was not corrected within a reasonable time, three or four days, and no signs of any correction, or if they got into a discussion about it our inspector would refer the whole matter to our office with a copy of the letter notifying the architect and we would take it up and make the decision as to whether it was in compliance with the contract or not.

Mr. SMALL. Has the Treasury Department, since the enactment of this law, ever made any recommendation regarding a division as between the plans and drawings and the supervision of the work?

Mr. TAYLOR. No; I do not think they ever have. I think they have never made any recommendation on it. I made a report to the Secretary at one time practically recommending it, but it never went further than the Secretary.

Mr. SMALL. Is it still your opinion that the law should be so amended that the successful outside architect whose plans are accepted should not have the local supervision, but be supervised entirely from your office?

Mr. TAYLOR. I think it would be advisable excepting in so far as the architect should be given a stated and agreed number of visits to the building to see that the artistic part of the work was being carried out in spirit as well as in letter; but the actual business administration should all lie with the Supervising Architect's office, because in that way you would eliminate a double responsibility.

Mr. SMALL. And under that any suggestions by the outside architect would be made in your office instead of to the contractor?

Mr. TAYLOR. Yes; he would be simply carrying out the orders.

Mr. HELM. Does the Government have a fixed sum or per cent that is allowed the architect?

Mr. TAYLOR. Yes; 5 per cent on all work actually contracted for as shown in the final analysis by the sums actually paid the contractor.

Mr. McLAUGHLIN. When the plan of a local architect is adopted, and it is necessary for you to have an inspector on hand to follow that work, you pay the architect a certain percentage for his plans and his work, and then you pay the local inspector; and all that work is paid for out of the amount appropriated for that particular building?

Mr. TAYLOR. Yes.

Mr. HELM. Does the inspector that you send also receive a salary from the Government?

Mr. TAYLOR. He receives an annual salary as inspector of public buildings.

Mr. HELM. What is the annual salary?

Mr. TAYLOR. It varies from \$1,600 to \$2,500, depending upon the type of man and the character of the work.

Mr. HELM. Have you one or more?

Mr. TAYLOR. One on every building.

Mr. McLAUGHLIN. But his salary for the time employed on the building comes out of the appropriation for the building. What do you think of that plan?

Mr. TAYLOR. I should prefer to see it changed. I have made a recommendation to the Committee on Public Buildings and Grounds to that effect, that being a part of the scheme of the conduct of the office. Until the last two years all the salaries in the office and all the work of the office—every expense in connection with it—excepting my own salary and the salary of my messenger, has been paid for from the actual appropriation for public buildings, and charged pro rata against each one of them. About two years ago, I think in 1906, the Committee on Appropriations authorized a skeleton force for our office to cost about \$80,000; that is, simply the chiefs of the divisions and certain clerks, which, if the office went down to the last analysis without any work, it would leave us a skeleton. They were regularly appropriated for, but the rest were still authorized under a clause such as this:

"That the Secretary of the Treasury is authorized to employ such assistants as draftsmen, clerical force, computers, and so on for the fiscal year ending so and so, providing that during that year not to exceed such and such a sum shall be used, which sum shall be charged pro rata against the public building appropriation."

In the last three years we have discovered that the average amount is about 5.82 per cent. So that we have suggested to the Committee on Public Buildings and Grounds that in future bills they should authorize, in connection with a building in a town, an appropriation equal to 6 per cent on the amount of the money authorized in the bill which could be drawn upon as the years go on in a certain proportion to pay the expenses each year, and nothing to be charged up against the building.

Mr. McLAUGHLIN. As a general thing you do not draw plans and specifications and provide for the erection of a building that will consume every dollar of the appropriation; you have a little left over for continuance—

Mr. TAYLOR. We usually leave during the time of construction a contingent fund of from 5 to 10 per cent of the amount.

Mr. McLAUGHLIN. At the time of construction I should think you would have to provide for that when making the plans?

Mr. TAYLOR. We do, but we won't let the contract on that until we have a safe margin of from 5 to 10 per cent of the amount of the contract, which amount goes back into the building sometime during the conduct of the work before it is completed.

The CHAIRMAN. Do you assume the cost of the furnishing of the building?

Mr. TAYLOR. No, that is separate; furniture and gas fixtures come under a separate appropriation in charge of the Chief Clerk of the Treasury Department.

Mr. McLAUGHLIN. Your rule is to have the balance go into the building during construction?

Mr. TAYLOR. Yes.

Mr. McLAUGHLIN. But there are cases where you do not, and where there is some left over after the building is finally completed?

Mr. TAYLOR. Some, but few.

Mr. McLAUGHLIN. What becomes of that fund?

Mr. TAYLOR. It is turned back into the Treasury.

Mr. McLAUGHLIN. How long is it before that is done; how long is it available?

Mr. TAYLOR. Available until turned back.

Mr. McLAUGHLIN. Is there any time in which it must be turned back?

Mr. TAYLOR. No time is fixed. That would stay on the books of the office for as many years as we wanted it to stay. Usually every two years we turn the surplus back, sometimes only a few dollars, sometimes five to six hundred dollars, and sometimes a thousand dollars.

The CHAIRMAN. But it is quite a sum in the aggregate?

Mr. TAYLOR. I suppose last year we turned in something like \$157,000.

Mr. SMALL. Could you, without great labor, furnish the committee with the designated classification of employees in your office, their duties, their compensation, and whether they are upon annual salaries paid out of stated appropriations, and to what extent they are paid out of specific appropriations for buildings?

Mr. TAYLOR. Yes, I can give you the salary roll; the exact amount.

Mr. McLAUGHLIN. Mr. Chairman, do you think it would come within the province of this committee to investigate a case where there had been a misappropriation, or a case where there had been any trouble in the erection of the building?

The CHAIRMAN. Yes; I think it would be within the jurisdiction of the committee. I think many years ago there were a number of such investigations. This committee is ancient, and was authorized in 1816, and it was a fairly active committee up to about the time of the civil war, but since then it has not done so very much.

Mr. TAYLOR. There have been a number of investigations, but not before this committee, but investigations have been made by Congress. I know that Mr. Hill, a former Supervising Architect, was investigated twice during his term of office.

The CHAIRMAN. In other words, other committees have done the work that this committee should have done. That has been the case with most of the "expenditure" committees of the several departments of the Government.

Mr. McLAUGHLIN. I did not know but what there might be some matters come under your notice, Mr. Taylor, that you would like to have the proper committee investigate.

Mr. TAYLOR. There are none that I know of.

I have a statement here that I would like to submit to you, and will ask you to consider it. It should be remembered that we are more than an architect's office; that our office is Uncle Sam's building business; that we not only have the actual construction of the buildings, but we have to purchase the sites; we are the Government's real estate agent, and we have to take care of its buildings. We are also the Government rental man, and we have to carry on all the general business in connection with the public buildings. This statement that I am going to leave with you is the actual expense, every dollar that was expended for actual work and for employees under the bills authorized during 1904, 1905, and 1906, giving the average expenditure per year and the actual amount of money paid out each year, with the total amount of average expenditure per year, which is the way we got this 6 per cent.

Mr. HELM. Was your office in any way connected with the construction of this office building?

Mr. TAYLOR. Not at all; it was done under Mr. Woods, the Superintendent of the Capitol.

Following is statement referred to by Mr. Taylor:

*Public building appropriations under the control of the Supervising Architect.*

COMPARATIVE STATEMENT OF EXPENDITURES, UNDER THE CAPTIONS GIVEN BELOW, FISCAL YEARS 1904, 1905, AND 1906.

	1904.	1905.	1906.	Total.
Office force: Drafting, clerical, and other service, Office of Supervising Architect.....	\$282,787.44	\$296,804.62	\$219,727.87	\$799,319.93
Advertising: For construction and for purchase of sites (actually spent, \$12,025).....	4,000.00	4,000.00	4,000.00	12,000.00
Office supplies: Drafting materials, specially prepared paper, typewriting supplies, stationery, etc. (actually spent, \$36,640).....	12,214.00	12,214.00	12,214.00	36,642.00
Disbursing agents' commissions: Three-eighths of 1 per cent on amounts disbursed according to law (actually spent, \$47,530).....	15,843.33	15,843.34	15,843.33	47,530.00
Inspectors of public buildings: Compensation (amount paid from sundry appropriations at this time, \$13,850), averaged.....	24,000.00	24,000.00	24,000.00	72,000.00
Superintendents of construction: Compensation (reported in Book of Estimates for each year).....	118,139.37	159,453.91	159,338.32	436,931.60
Superintendence: Traveling expenses of superintendents and inspectors, office rent, office equipment for superintendents, telephone service, light and heat, stenographic and temporary clerical assistance, freight, expressage, stationery, ice and water, etc. (aggregated, \$70,500).....	23,500.00	23,500.00	23,500.00	70,500.00
Contingencies: Surveys, plaster models, photographs, test-pit borings, expressage, telegrams, freight and drayage, mill and shop inspections, compensation and expenses of commissioners to select plans, etc. (aggregated, \$32,967).....	11,000.00	11,000.00	11,000.00	33,000.00
Mechanical labor force: Compensation of employees engaged in work incident to repair of buildings, upkeep of mechanical equipment, maintenance and care of vaults, safes, and locks, etc.....	59,000.00	59,500.00	90,000.00	208,500.00
Total for three years.....				1,716,423.53
Average expenditure for each year.....				572,141.18



## EXPENDITURES ON PUBLIC BUILDINGS.

*Gross expenditures on account of all appropriations for public buildings, fiscal years 1904, 1905, and 1906.*

	1904.	1905.	1906.	Total.
Sites: Purchase of sites, additional land, expenses of agents, recording deeds, etc.	\$1,888,608.55	\$183,699.89	\$455,531.50	\$2,527,839.94
Buildings: Construction, extensions, additions, alterations, remodeling, mechanical equipment, electric wiring, conduits, etc.	7,577,942.46	9,738,101.74	7,540,994.32	24,857,038.52
Repairs: General repair and preservation of buildings and mechanical equipment, minor alterations, vaults, safes and locks, chemicals, photographic supplies, etc.	602,711.25	776,216.58	693,957.39	2,072,885.22
Total for 3 years				29,457,763.68
Average expenditure for each year				9,819,254.56

Average annual percentage of cost of items in first division as compared with gross amount expended in second division, \$0.05826, or 6 per cent.

WASHINGTON, D. C.,  
January 25, 1908.

TREASURY DEPARTMENT,  
Washington, March 31, 1908.

Hon. E. STEVENS HENRY,  
Chairman Committee on Expenditures on Public Buildings,  
House of Representatives.

SIR: Referring to your request to be informed of the legislation authorizing the establishment of the office of the Supervising Architect, I have the honor to state that prior to the year 1853 no uniform method of securing the construction of Federal buildings had been adopted. In that year 15 such buildings were appropriated for, and in his annual report for 1853 Secretary Guthrie said:

"The construction of these buildings is confided to the Department and almost everything but the amount of the appropriation left to the discretion of the Secretary. No system had been devised for the performance of this duty, nor had the management of the business been confided to any particular branch of the Department."

\* \* \* With a view to a more efficient management, application was made to the Secretary of War for a scientific and practical engineer to be placed in charge of the construction of these buildings, and Capt. Alexander H. Bowman, of the Engineer Corps, was detailed and assigned to that duty. General regulations for the conduct of the business have been adopted and sent to those in charge of the respective works and a department of construction organized for the supervision of the whole. The general regulations accompany this report, as also a copy of the local organizations, in order that Congress may see how the business of construction is conducted by the Department."

From that time until 1864 the office seems to have been conducted as a division of the Treasury without specific authority of law.

In the act to supply deficiencies in appropriations, etc., approved March 14, 1864 (13 Stats. U. S., p. 27, sec. 6), it is provided—

"That in addition to the clerical force now authorized by law the following clerks and employees are hereby authorized in the several departments and offices hereinafter specified, to be employed and continue only during the rebellion, and for one year after its close. \* \* \* In the construction branch of the Treasury, one superintending architect, one assistant architect, two clerks of class 4, four of class 3, two of class 1, and one messenger, at an annual salary of \$600."

From that date to the present time the office has been appropriated for annually and its status repeatedly recognized by Congress in a large number of general and special statutes. For instance, the act of Congress approved March 3, 1875 (18 Stats. U. S., 395), provides:

"And hereafter no money shall be paid nor contracts made for payment for any site for a public building in excess of the amount specifically appropriated therefor, and no money shall be expended upon any public building on which work has not yet been actually begun until after drawings and specifications, together with detailed estimates of the cost thereof, shall have been made by the Supervising Architect of the Treasury Department and said plans and estimates shall have been approved by the Secretary of the Treasury, Secretary of the Interior, and the Postmaster-General \* \* \*"

Again, in the so-called Tarsney Act, authorizing the Secretary of the Treasury to secure plans, etc., for public buildings through competition, there is contained the following:

"And provided further, that the general supervision of the work shall continue in the Office of the Supervising Architect of the Treasury Department, the Supervising Architect to be the representative of the Government in all matters connected with the erection and completion of such buildings, the receipt of proposals, the award of contracts therefor, and the disbursement of moneys thereunder, and perform all the duties that now pertain to his office, except the preparation of drawings and specifications for such buildings and the local supervision of the construction thereof, the said drawings and specifications, however, to be subject at all times to modification and change relating to plan or arrangement of building and selection of material therefor as may be directed by the Secretary of the Treasury" (27 Stats. U. S., 468).

In compliance with your further request, there are transmitted herewith one copy each of the following publications: "Laws Relating to Public Buildings," "Instructions to Superintendents," and one copy of the form of contract and bond used in this Department in connection with public building work, and also one copy of each of the current pay rolls of the office as constituted at this time.

Respectfully,

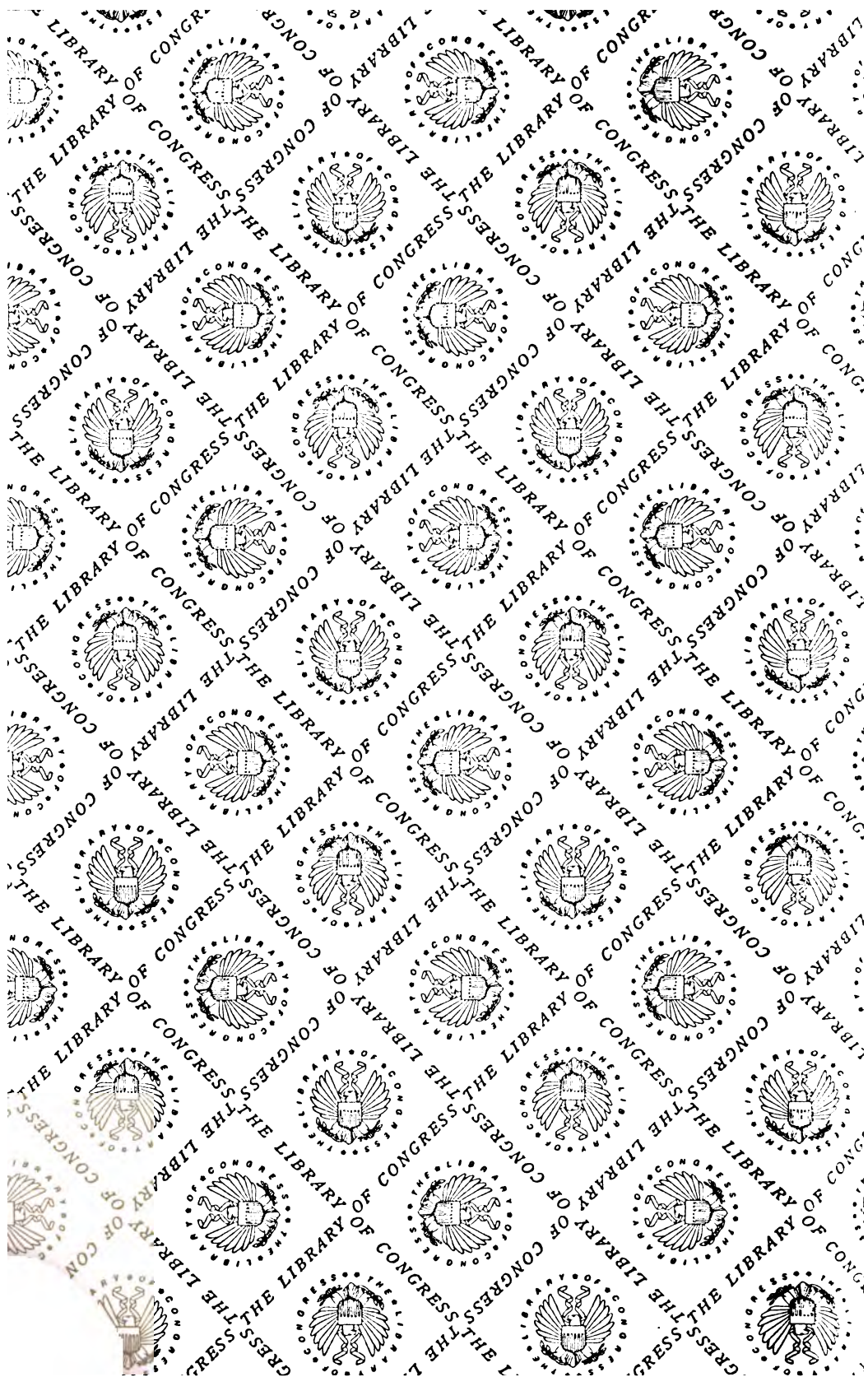
J. K. TAYLOR,  
*Supervising Architect.*

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